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North, Meese Often Discussed Contras, Hostage Release Efforts, Sources Say

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WASHINGTON—Fired National Security Council aide Lt. Col. Oliver North regularly discussed his campaign to provide aid to Nicaraguan rebels and his efforts to free U.S. hostages in Lebanon with Attorney General Edwin Meese, Reagan administration sources said.

Justice Department officials have said that Mr. Meese and Col. North regularly met or talked by telephone. "They used to talk on the phone all the time," one official recalled.

The contacts began shortly after President Reagan directed Col. North in late 1984 to help establish a private network to help the rebels, sources said.

Another official said discussions between the two men about the Nicaraguan aid network "are consistent with (Mr. Meese's) dual responsibilities" as attorney general and a member of the NSC. Officials said that even Mr. Meese's closest aides didn't participate in some of the discussions, however, and it isn't known whether Col. North ever told Mr. Meese that profits from secret Iranian arms sales were being diverted to the Contra rebels.

When he first reported finding evidence of the diversion last Nov. 25, Mr. Meese said Col. North and former National Security Adviser John Poindexter were the only officials who had known of it. A spokesman said Mr. Meese was in San Diego yesterday and wasn't available for comment.

But Reagan administration sources said some U.S. officials tried to warn Adm. Poindexter and other top NSC officials last spring about possible illegalities in the Reagan administration's efforts to help the Nicaraguan rebels. Adm. Poindexter dismissed the warnings, saying administration lawyers had reviewed Col. North's activities in support of the rebels and had concluded that the Contra aid program was legal, the sources said.

Specifically, intelligence sources said, the CIA station chief in El Salvador became concerned that U.S. military advisers there were assisting a Contra airlift, based at the Ilopango military airfield outside San Salvador and run by retired Air Force Maj. Gen. Richard Secord. At the time, Congress had barred U.S. officials from helping supply military aid to the Contras.

Separately, Reagan administration sources said, some White House officials became alarmed that Col. North appar-

ently had been collecting and disbursing large amounts of cash for the Contras from his office on the third floor of the Old Executive Office Building next to the White House. The sources said Col. North had none of the required government vouchers for the money.

Nevertheless, Reagan administration sources said Adm. Poindexter resisted repeated efforts to force Col. North to share responsibility for his secret Iran and Contra operations with other NSC staff members. During the spring of 1986, the sources said, NSC specialists in Central American affairs and in intelligence matters separately became concerned about some of Col. North's activities and asked to be included in overseeing them.

Adm. Poindexter rejected the requests, sources said, and turned down a suggestion from another aide that the NSC staff's Middle East expert, Dennis Ross, be consulted about the Reagan administration's secret Iran policy.

"It was clear that Ollie (Col. North) had someone's hand on his shoulder," said one Reagan administration official. "He was never perceived as an unauthorized loner."

Connection to Bush Seen

Administration officials said they believe Col. North also kept Vice President Bush and his national security adviser, Donald Gregg, informed about some aspects of the Contra aid network. Mr. Bush and his aides have tried hard to distance themselves from the scandal, but the team headed by independent counsel Lawrence Walsh has indicated it intends to delve into contacts that Mr. Bush's office had with Contra supporters, according to law enforcement officials.

Among other things, the officials said, Mr. Walsh is expected to focus on why Army Col. Sam Watson, Mr. Bush's deputy national security adviser, received two telephone calls from a former CIA operative in Central America early last October, alerting him that a cargo plane shipping supplies to the Contras was missing.

Justice Department officials didn't interview Mr. Bush or any of his aides during the initial phase of the investigation into the Iran-Contra scandal, law enforcement officials said. Senior Justice Department officials have said they decided that such interviews weren't necessary during the preliminary "fact-finding effort."

Mr. Bush was briefed by Mr. Meese about those preliminary conclusions the day before the attorney general disclosed the diversion of funds to the Contras.

Interviews with some of Mr. Bush's aides were conducted after the Federal Bureau of Investigation began a full-scale criminal investigation into the matter at the beginning of December, according to law enforcement officials. White House officials said Mr. Bush was interviewed by FBI agents for 25 minutes on Dec. 12. Other officials said they believed a wide-ranging interview with Mr. Bush hasn't been scheduled.

Officials said Col. North worked closely with Assistant Secretary of State Elliott Abrams and top CIA officials on the Contra aid network, and frequently traveled around the U.S. and abroad to oversee the ostensibly private network. Col. North often talked twice a day with the CIA's director of operations, Clair George, intelligence sources said.

On several occasions, the sources said, CIA agents who received requests or instructions from Col. North checked with their superiors and were told to do as Col. North directed because he was acting with authority from CIA Director William Casey and Adm. Poindexter.

Mr. Abrams was instrumental in seeking Contra aid from foreign governments, the sources said. In addition to soliciting a \$10 million contribution from the sultan of Brunei, Mr. Abrams proposed cabling U.S. embassies in several Persian Gulf states and asking them to solicit similar contributions, Reagan administration sources said.

That proposal was blocked by the State Department's top Middle East expert, Assistant Secretary Richard Murphy, the sources said. The Brunei contribution was to buy non-lethal aid but hasn't been traced.

Reagan administration sources said that while it isn't clear whether Col. North had approval for all his activities, particularly the diversion of Iranian arms-sale profits to the Contras, President Reagan and then-National Security Adviser Robert McFarlane directed him in the fall of 1984 to oversee the Nicaraguan rebels' private aid network.

Private Aid Lagged

The private Contra aid operation, approved by Mr. Reagan after meetings with his top advisers, was designed to keep the Contras going until the Reagan administration could overturn a ban on U.S. aid to the rebels, administration officials said. Congress imposed the ban in 1984.

As originally conceived and approved, Reagan administration sources said, the plan called for the president and other top officials to attend fund-raising events for the rebels, to invite Contra leaders to well-publicized White House meetings, and to encourage private donors to support the anti-Sandinista rebels. "It was all fairly overt," said one Reagan administration official.

But according to officials, Col. North began ranging farther and farther afield as it became clear that private donors couldn't keep pace with the Contras' needs—or with the Sandinistas' Soviet-supported military buildup. One fund-raising dinner attended by Mr. Reagan, for instance, was an embarrassing flop, raising almost nothing for the Contras.

But by the middle of 1985, some Reagan administration officials were wondering how the Contras were carrying on even

modest military activities when they appeared to be broke. The answer appears to be that a separate private network of aid overseen by Col. North was delivering arms to the Nicaraguans by the summer of 1985.

New details of this private network are continuing to come to light. A Danish shipping agent yesterday confirmed that a freighter leased by his firm carried arms for the insurgents from Portugal to Honduras as early as mid-1985. Tom Parlow of S.A. Chartering in Copenhagen identified himself as a longtime friend of retired CIA official Thomas Clines, who has emerged as a behind-the-scenes operative in Col. North's aid network.

Mr. Parlow indicated that other Danish ships helped carry arms to Honduras, and he said the freight carried in 1985 was paid for through Defex-Portugal, a Lisbon firm that was instrumental in later arms shipments to the Contras.

The ship, estimated at 300 gross tons, changed hands in Denmark twice in recent years before being registered in Panama to a shell corporation that has officers associated with Cie. de Services Fiduciares, a Swiss company that helped establish other front companies and bank accounts linked to the Iran-Contra controversy.